

BLANCHARD WALKER

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January 7, 2004

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

Re: HEARING APPLICATION
James Lime, Reservoir A
Benson Field
James Formation, Reservoir A
Spider Field
DeSoto Parish, Louisiana
Our File No. 410595.0018

Dear Sir:

On behalf of ST. MARY LAND & EXPLORATION COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the James Lime, Reservoir A, in the Benson Field, and the James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana:

1. To dissolve the drilling and production units designated as JL RA SUCC and JL RA SUDD, which were created by Office of Conservation No. 496-D-3, effective July 23, 1982, for the James Lime, Reservoir A, in the Benson Field, DeSoto Parish, Louisiana.
2. To dissolve the drilling and production units designated as JAMES RA SUH and JAMES RA SUG, which were created by Office of Conservation Order No. 92-M-1, effective October 28, 2003, for the James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana.
3. Simultaneously with dissolution of the abovesaid units, to create one (1) additional drilling and production unit (to be designated as JAMES RA SUG) for the James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana, as shown on the plat attached hereto.

4. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within said unit, with allocation of production from the unit well to the tracts within such unit to be on the basis of surface acreage.
5. Except to the extent inconsistent herewith, to extend the provisions of Office of Conservation Order No. 92-M, effective March 11, 2003, to the proposed unit.
6. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The James Lime, Reservoir A, in the Benson Field, DeSoto and Sabine Parishes, Louisiana was fully defined in Order No. 496-D, effective April 1, 1980.

The James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana, was fully defined in Office of Conservation Order No. 92-M, effective March 11, 2003.

Pertinent data concerning the intended application will be made available for inspection at the offices of St. Mary Land & Exploration Company, 330 Marshall Street, Suite 1200, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Kevin McMaster at (318)424-0804, during normal business hours or write Mr. McMaster at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

By Pre-Application Notice dated December 21, 2004, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a Pre-Application Conference, and accordingly, no such conference will be held.

A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

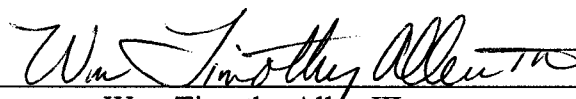
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This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII/bp
Enclosures

By: 
Wm. Timothy Allen III

Attorneys for St. Mary Land & Exploration Company

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

